

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

Page 1 of 2

DOCKET NO.: 2007-1424-AIR-E TCEQ ID: RN100887306 CASE NO.: 34552
RESPONDENT NAME: GULF COAST COMPOSITE MARINE SPECIALIST INC.

ORDER TYPE:☒ 1660 AGREED ORDER☐ FINDINGS AGREED ORDER☐ FINDINGS ORDER FOLLOWING
SOAH HEARING☐ FINDINGS DEFAULT ORDER☐ SHUTDOWN ORDER☐ IMMINENT AND SUBSTANTIAL
ENDANGERMENT ORDER☐ AMENDED ORDER☐ EMERGENCY ORDER**CASE TYPE:**☒ AIR☐ MULTI-MEDIA (check all that apply)☐ INDUSTRIAL AND HAZARDOUS
WASTE☐ PUBLIC WATER SUPPLY☐ PETROLEUM STORAGE TANKS☐ OCCUPATIONAL CERTIFICATION☐ WATER QUALITY☐ SEWAGE SLUDGE☐ UNDERGROUND INJECTION
CONTROL☐ MUNICIPAL SOLID WASTE☐ RADIOACTIVE WASTE☐ DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: 2301 Anders Lane, Kemah, Galveston County

TYPE OF OPERATION: boat refinishing operation

SMALL BUSINESS: ☒ Yes ☐ No

OTHER SIGNIFICANT MATTERS: Three complaints have been received. The complaints alleged that spray dust left the property creating a nuisance. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: The complainants have not indicated a desire to protest this action or speak at Agenda. No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on June 9, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Ms. Anna M. Cox, Litigation Division, MC 175, (512) 239-0974

Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873

SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223

TCEQ Enforcement Coordinator: Mr. Bryan Elliott, Air Enforcement Section, MC 149, (512) 239-6162

TCEQ Regional Contact: Ms. Linda Vasse, Houston Regional Office, MC R-12, (713) 767-3637

Respondent: Mr. David Whelan, President, Gulf Coast Composite Marine Specialist Inc., 2301 Anders Lane, Kemah, Texas 77565

Respondent's Attorney: Mr. Harless Benthul, Law Offices of Harless Benthul, 440 Louisiana Street, Houston, Texas 77002

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input checked="" type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Dates of Complaints Relating to this Case: March 29, 2007; April 4, 2007; June 6, 2007</p> <p>Dates of Investigation Relating to this Case: March 29, 2007 and June 6, 2007</p> <p>Date of NOE Relating to this Case: August 2, 2007</p> <p>Background Facts: The EDPRP was mailed and filed on January 24, 2008. An Agreed Order was signed on April 15, 2008.</p> <p>AIR:</p> <p>1. Failed to obtain permit authorization as documented on June 6, 2007 [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE § 382.085(a) and 382.0518(a)].</p> <p>2. Failed to prevent a nuisance condition [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b)].</p>	<p>Total Assessed: \$3,300</p> <p>Total Deferred: \$1,650</p> <p><input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay <input checked="" type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$1,650</p> <p>The Respondent has paid \$1,650 of the administrative penalty. The remaining amount of \$1,650 of the administrative penalty shall be conditionally offset by the completion of a Supplemental Environmental Project (SEP).</p> <p>Site Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>Respondent shall implement and complete a Supplemental Environmental Project (SEP) (See SEP Attachment A).</p> <p>Corrective Action Taken:</p> <p>The ED recognizes that on June 18, 2007, the TCEQ issued a letter to Respondent approving the registrations for the appropriate Permit-By-Rules.</p> <p>Technical Requirements:</p> <p>The Respondent shall:</p> <ol style="list-style-type: none"> 1. Within 15 days, implement procedures which will prevent spray dust from leaving the Site which would contribute to a nuisance condition. 2. Within 30 days, submit written certification to demonstrate compliance with the Ordering Provision above.

Attachment A
Docket Number: 2007-1424-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	GULF COAST COMPOSITE MARINE SPECIALIST INC.
Penalty Amount:	Three thousand three hundred dollars (\$3,300)
SEP Amount:	One thousand six hundred fifty dollars (\$1,650)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston Area Emission Reduction Credit Organization ("AERCO") <i>Clean Cities/Clean Vehicles Program</i>
Location of SEP:	Galveston County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. **Project Description**

A. Project

The Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used in accordance with the Supplemental Environmental Project Agreement between **AERCO** and the Texas Commission on Environmental Quality for the *Clean Cities/Clean Vehicles Program* in Galveston County. SEP monies will be used to aid local school districts and area transit agencies, and may be used to reach local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of retrofitting or replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

Passengers, drivers, and students in the area where school buses idle during transportation are subject to harmful diesel exhaust emission every school day. Apart from containing the ozone precursors nitrogen oxides ("NOx") and hydrocarbons ("HC"), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), model 2007 and newer buses are also cleaner in terms of particulate matter (PM) emissions than model year 2004 buses. New NOx and HC standards phased in between 2007

GULF COAST COMPOSITE MARINE SPECIALIST INC.

Agreed Order - Attachment A

and 2010 will result in new school bus engines being 72% cleaner for HC and 90% cleaner for NOx than a bus produced to meet the 2004 federal standards for these pollutants.

This SEP will provide a discernible environmental benefit by retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces PM and HC.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, TX 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

GULF COAST COMPOSITE MARINE SPECIALIST INC.

Agreed Order - Attachment A

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13088
Austin, Texas 78711-3088

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

TCEQ

DATES	Assigned	6-Aug-2007	Screening	22-Aug-2007	EPA Due	
	PCW	27-Nov-2007				

RESPONDENT/FACILITY INFORMATION

Respondent	Gulf Coast Composite Marine Specialist Inc.		
Reg. Ent. Ref. No.	RN100887306		
Facility/Site Region	12-Houston	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	34552	No. of Violations	2
Docket No.	2007-1424-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Bryan Elliott
Multi-Media		EC's Team	Enforcement Team 4
Admin. Penalty \$	Limit Minimum	\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$3,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **10% Enhancement** **Subtotals 2, 3, & 7** **\$300**

Notes

The penalty was enhanced due to two previous NOV's for similar violations.

Culpability

No

0% Enhancement

Subtotal 4

\$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

0% Reduction

Subtotal 5

\$0

Before NOV

NOV to EDPRP/Settlement Offer

Extraordinary

Ordinary

N/A

X

(mark with x)

Notes

The Respondent does not meet the good faith criteria.

0% Enhancement*

Subtotal 6

\$0

Total EB Amounts

\$99

Approx. Cost of Compliance

\$3,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal

\$3,300

OTHER FACTORS AS JUSTICE MAY REQUIRE

Adjustment

\$0

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount

\$3,300

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$3,300

DEFERRAL

0%

Reduction

Adjustment

\$0

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral not offered for non-expedited settlement.

PAYABLE PENALTY

\$3,300

Screening Date 22-Aug-2007

Docket No. 2007-1424-AIR-E

PCW

Respondent Gulf Coast Composite Marine Specialist Inc.

Policy Revision 2 (September 2002)

Case ID No. 34552

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100887306

Media [Statute] Air

Enf. Coordinator Bryan Elliott

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 10%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty was enhanced due to two previous NOVs for similar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 10%

Screening Date 22-Aug-2007		Docket No. 2007-1424-AIR-E		PCW	
Respondent Gulf Coast Composite Marine Specialist Inc.		<small>Policy Revision 2 (September 2002)</small>			
Case ID No. 34552		<small>PCW Revision June 26, 2007</small>			
Reg. Ent. Reference No. RN100887306					
Media [Statute] Air					
Enf. Coordinator Bryan Elliott					
Violation Number		<input type="text" value="1"/>			
Rule Cite(s)		<input type="text" value="30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.085(a) and 382.0518(a)"/>			
Violation Description		<input type="text" value="Failed to obtain permit authorization. Specifically the Respondent operated a dry abrasive cleaning operation with no authorization until June 18, 2007."/>			
				Base Penalty	<input type="text" value="\$10,000"/>
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
>> Programmatic Matrix					
	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="10%"/>
Matrix Notes	<input type="text" value="100% of the rule requirement was not met."/>				
				Adjustment	<input type="text" value="\$9,000"/>
					<input type="text" value="\$1,000"/>
Violation Events					
Number of Violation Events		<input type="text" value="1"/>	<input type="text" value="12"/>	Number of violation days	
<small>mark only one with an x</small>	daily	<input type="text"/>			
	monthly	<input type="text"/>			
	quarterly	<input checked="" type="checkbox"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	<input type="text"/>			
				Violation Base Penalty	<input type="text" value="\$1,000"/>
<input type="text" value="One quarterly event is recommended based on the investigation date (June 6, 2007) to the date of PBR authorization (June 18, 2007)."/>					
Economic Benefit (EB) for this violation					
		Statutory Limit Test			
Estimated EB Amount		<input type="text" value="\$2"/>	Violation Final Penalty Total		<input type="text" value="\$1,100"/>
				This violation Final Assessed Penalty (adjusted for limits)	<input type="text" value="\$1,100"/>

Economic Benefit Worksheet

Respondent: Gulf Coast Composite Marine Specialist Inc.
Case ID No.: 34552
Reg. Ent. Reference No.: RN100887306
Media: Air
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$1,000	6-Jun-2007	18-Jun-2007	0.0	\$2	n/a	\$2
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit a permit application. Date required is the investigation date. Final date is the date authorization was obtained.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$2

Screening Date 22-Aug-2007 Respondent Gulf Coast Composite Marine Specialist Inc. Case ID No. 34552 Reg. Ent. Reference No. RN100887306 Media [Statute] Air Enf. Coordinator Bryan Elliott Violation Number <input type="text" value="2"/> Rule Cite(s) 30 Tex. Admin. Code § 101.4 and Tex. Health & Safety Code § 382.085(a) and (b)	Docket No. 2007-1424-AIR-E <div style="text-align: right;">PCW</div> <div style="text-align: right; font-size: small;">Policy Revision 2 (September 2002) PCW Revision June 26, 2007</div>																		
Violation Description <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> Failed to prevent a nuisance condition. Specifically, the Respondent allowed uncontrolled fiberglass dust overspray to escape through an open door and onto adjacent property as documented during investigations conducted on March 29, 2007 and June 6, 2007. </div>																			
Base Penalty <input style="width: 100px;" type="text" value="\$10,000"/>																			
>> Environmental, Property and Human Health Matrix																			
OR	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">Release</td> <td style="width: 10%; text-align: center;">Major</td> <td style="width: 10%; text-align: center;">Harm Moderate</td> <td style="width: 10%; text-align: center;">Minor</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td>Actual</td> <td><input type="text"/></td> <td><input type="text"/></td> <td style="text-align: center;">x</td> <td></td> </tr> <tr> <td></td> <td>Potential</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td></td> </tr> </table> <div style="text-align: right; margin-top: 5px;"> Percent <input style="width: 50px;" type="text" value="10%"/> </div>		Release	Major	Harm Moderate	Minor			Actual	<input type="text"/>	<input type="text"/>	x			Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Release	Major	Harm Moderate	Minor															
	Actual	<input type="text"/>	<input type="text"/>	x															
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>															
>> Programmatic Matrix																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">Falsification</td> <td style="width: 10%; text-align: center;">Major</td> <td style="width: 10%; text-align: center;">Moderate</td> <td style="width: 10%; text-align: center;">Minor</td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td></td> </tr> </table> <div style="text-align: right; margin-top: 5px;"> Percent <input style="width: 50px;" type="text" value="0%"/> </div>		Falsification	Major	Moderate	Minor			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>							
	Falsification	Major	Moderate	Minor															
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>															
Matrix Notes	Human health or the environment was exposed to insignificant amounts of pollutants which did not exceed levels protective of human health or environmental receptors as a result of the violation.																		
Adjustment <input style="width: 100px;" type="text" value="\$9,000"/>																			
<input style="width: 100px;" type="text" value="\$1,000"/>																			
Violation Events																			
<div style="display: flex; justify-content: space-between;"> <div> Number of Violation Events <input style="width: 50px;" type="text" value="2"/> </div> <div> <input style="width: 50px;" type="text" value="2"/> Number of violation days </div> </div> <div style="margin-top: 10px;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%; text-align: center;">daily</td> <td style="width: 10%; text-align: center;"><input type="text"/></td> </tr> <tr> <td></td> <td style="text-align: center;">monthly</td> <td style="text-align: center;"><input type="text"/></td> </tr> <tr> <td></td> <td style="text-align: center;">quarterly</td> <td style="text-align: center;"><input type="text"/></td> </tr> <tr> <td></td> <td style="text-align: center;">semiannual</td> <td style="text-align: center;"><input type="text"/></td> </tr> <tr> <td></td> <td style="text-align: center;">annual</td> <td style="text-align: center;"><input type="text"/></td> </tr> <tr> <td></td> <td style="text-align: center;">single event</td> <td style="text-align: center;">x</td> </tr> </table> <div style="margin-top: 10px;"> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> Two single events are recommended based on the two documented violations. </div> </div> </div> <div style="text-align: right; margin-top: 10px;"> Violation Base Penalty <input style="width: 100px;" type="text" value="\$2,000"/> </div>			daily	<input type="text"/>		monthly	<input type="text"/>		quarterly	<input type="text"/>		semiannual	<input type="text"/>		annual	<input type="text"/>		single event	x
	daily	<input type="text"/>																	
	monthly	<input type="text"/>																	
	quarterly	<input type="text"/>																	
	semiannual	<input type="text"/>																	
	annual	<input type="text"/>																	
	single event	x																	
Economic Benefit (EB) for this violation																			
<div style="display: flex; justify-content: space-between;"> <div> Estimated EB Amount <input style="width: 100px;" type="text" value="\$98"/> </div> <div> Statutory Limit Test </div> </div> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between;"> <div> Violation Final Penalty Total <input style="width: 100px;" type="text" value="\$2,200"/> </div> <div> This violation Final Assessed Penalty (adjusted for limits) <input style="width: 100px;" type="text" value="\$2,200"/> </div> </div> </div>																			

Economic Benefit Worksheet

Respondent Gulf Coast Composite Marine Specialist Inc.
Case ID No. 34552
Reg. Ent. Reference No. RN100887306
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,000	29-Mar-2007	20-Mar-2008	1.0	\$98	n/a	\$98

Notes for DELAYED costs

Estimated cost for alternative spraying application or dust control device. Date required is the earliest date of non-compliance. Final date is the prospective date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$98

Compliance History

Customer/Respondent/Owner-Operator:	CN600561419	Gulf Coast Composite Marine Specialist Inc.	Classification: AVERAGE	Rating: 3.75
Regulated Entity:	RN100887306	GULF COAST COMPOSITE INC	Classification: AVERAGE	Site Rating: 3.75
ID Number(s):	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GB0672K	
	AIR NEW SOURCE PERMITS	REGISTRATION	82059	
Location:	2301 ANDERS LN, KEMAH, TX, 77565		Rating Date: 9/1/2007 Repeat Violator: NO	
TCEQ Region:	REGION 12 - HOUSTON			
Date Compliance History Prepared:	March 13, 2008			
Agency Decision Requiring Compliance History:	Correction to Compliance History Components			
Compliance Period:	September 01, 2002 to August 31, 2007			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Mary Wallin Phone: 512-239-1864

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Gulf Coast Composite Marine Specialist Inc.
4. If Yes, who was/were the prior owner(s)? Gulf Coast Composite Marine Specialist Inc.
5. When did the change(s) in ownership occur? 06/04/2007

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
 - 1 06/22/2006 (638989)
 - 2 12/07/2006 (532160)
 - 3 03/08/2007 (638990)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date:	07/14/2006 (466190)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.4		
Description:	Discharge of contaminants adversely affecting property.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 106, SubChapter T 106.452(2)(B)		
Description:	Failure to meet distance requirements for dry abrasive cleaning.		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 106, SubChapter T 106.452(2)(D)		
Description:	Failure to obtain PBR 106.452 authorization		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 106, SubChapter T 106.452(2)(E)		
Description:	Failure to obtain site approval.		
Date:	12/07/2006 (532160)		
Self Report?	NO	Classification:	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.4		

Description: Discharge of contaminants adversely affecting property.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
GULF COAST COMPOSITE
MARINE SPECIALIST INC.;
RN100887306**

§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1424-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the Gulf Coast Composite Marine Specialist Inc. ("GCCMS") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and GCCMS, represented by Harless Benthul of the law firm of the Law Office of Harless Benthul, appear before the Commission and together stipulate that:

1. GCCMS owns and operates a boat refinishing operation located at 2301 Anders Lane, Kemah, Galveston County, Texas (the "Site").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and TCEQ rules.
3. The Commission and GCCMS agree that the Commission has jurisdiction to enter this Agreed Order, and that GCCMS is subject to the Commission's jurisdiction.
4. GCCMS received notice of the violations alleged in Section II ("Allegations") on or about August 7, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by GCCMS of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of three thousand three hundred dollars (\$3,300.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). GCCMS has paid one thousand six hundred fifty dollars (\$1,650.00) of the administrative penalty. Pursuant to TEX. WATER CODE § 7.067, one thousand six hundred fifty dollars (\$1,650.00) of the administrative penalty shall be conditionally offset by GCCMS's completion of a Supplemental Environmental Project (SEP) as defined in Attachment A, incorporated herein by reference. GCCMS's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement described in Attachment A.
7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and GCCMS have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that on June 18, 2007, the TCEQ issued a letter to GCCMS approving the registrations for the appropriate Permit-By-Rules.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that GCCMS has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

GCCMS is alleged to have violated:

1. 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE § 382.085(a) and 382.0518(a) by failing to obtain permit authorization as documented on June 6, 2007. Specifically, GCCMS operated a dry abrasive cleaning operation with no authorization until June 18, 2007.

2. 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b) by failing to prevent a nuisance condition. Specifically, GCCMS allowed uncontrolled fiberglass dust overspray to escape through an open door and onto adjacent property as documented on March 29, 2007 and June 6, 2007.

III. DENIALS

GCCMS generally denies each allegation in Section II ("Allegations").

IV. ORDER

1. It is, therefore, ordered by the TCEQ that GCCMS pay an administrative penalty as set forth in Section I, Paragraph 6, above. The payment of this administrative penalty and GCCMS's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from considering or requiring corrective action or penalties for violations which are not raised herein. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Gulf Coast Composite Marine Specialist Inc., Docket No. 2007-1424-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. GCCMS shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067 and as set forth in Section I, Paragraph 6, above. One thousand six hundred fifty dollars (\$1,650.00) of the assessed administrative penalty shall be offset with the condition that GCCMS implement and complete the SEP pursuant to the terms of the SEP as defined in Attachment A, incorporated herein by reference. GCCMS's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. GCCMS shall undertake the following technical requirements:
 - a. Within 15 days after the effective date of this Agreed Order, GCCMS shall implement procedures which will prevent spray dust from leaving the Site which would contribute to a nuisance condition as specified in 30 TEX. ADMIN. CODE § 101.4.

- b. Within 30 days after the effective date of this Order, GCCMS shall submit written certification and detailed supporting documentation, including photographs, receipts, and other records, to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

GCCMS shall submit the written certification and copies of documentation necessary to demonstrate compliance with Ordering Provision No. 3.a. to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

and

Joel Anderson, Air Section Manager
Texas Commission on Environmental Quality
Houston Regional Office
5425 Polk Avenue, Suite H
Houston, Texas 77023-1452

4. The provisions of this Agreed Order shall apply to and be binding upon GCCMS. GCCMS is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
5. If GCCMS fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, GCCMS's failure to comply is not a violation of this Agreed Order. GCCMS shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. GCCMS shall notify the Executive Director within seven days

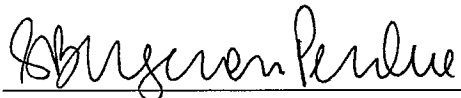
after GCCMS becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by GCCMS shall be made in writing to the Executive Director. Extensions are not effective until GCCMS receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against GCCMS in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
9. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to GCCMS, or three days after the date on which the Commission mails notice of the Order to GCCMS, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

5/27/08

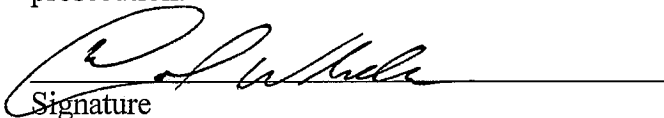
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on GCCMS's compliance history;
- Greater scrutiny of any permit applications submitted by GCCMS;
- Referral of this case to the Attorney General's office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against GCCMS;
- Automatic referral to the Attorney General's Office of any future enforcement actions against GCCMS; and
- TCEQ seeking other relief as authorized by law.

In addition, I understand that any falsification of any compliance documents may result in criminal prosecution.


Signature

4-15-08
Date

David Whelan
Name (Printed or typed)
Authorized representative of
Gulf Coast Composite Marine Specialist Inc.

President
Title

Attachment A
Supplemental Environmental Project

Attachment A
Docket Number: 2007-1424-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	GULF COAST COMPOSITE MARINE SPECIALIST INC.
Penalty Amount:	Three thousand three hundred dollars (\$3,300)
SEP Amount:	One thousand six hundred fifty dollars (\$1,650)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston Area Emission Reduction Credit Organization ("AERCO") <i>Clean Cities/Clean Vehicles Program</i>
Location of SEP:	Galveston County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used in accordance with the Supplemental Environmental Project Agreement between AERCO and the Texas Commission on Environmental Quality for the *Clean Cities/Clean Vehicles Program* in Galveston County. SEP monies will be used to aid local school districts and area transit agencies, and may be used to reach local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP funds will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. SEP funds will be used for the costs of retrofitting or replacing older diesel buses with alternative fueled or clean fuel diesel buses. The older "high emission" buses will be permanently retired and sold only for scrap.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

Passengers, drivers, and students in the area where school buses idle during transportation are subject to harmful diesel exhaust emission every school day. Apart from containing the ozone precursors nitrogen oxides ("NOx") and hydrocarbons ("HC"), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), model 2007 and newer buses are also cleaner in terms of particulate matter (PM) emissions than model year 2004 buses. New NOx and HC standards phased in between 2007

GULF COAST COMPOSITE MARINE SPECIALIST INC.

Agreed Order - Attachment A

and 2010 will result in new school bus engines being 72% cleaner for HC and 90% cleaner for NOx than a bus produced to meet the 2004 federal standards for these pollutants.

This SEP will provide a discernible environmental benefit by retiring high-emission buses from service, purchasing newer, clean fuel technology buses, and replacing newer buses with fuel treatment technology that reduces PM and HC.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, TX 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

GULF COAST COMPOSITE MARINE SPECIALIST INC.

Agreed Order - Attachment A

Texas Commission on Environmental Quality
Office of Legal Services
Attention: SEP Coordinator, MC 175
P.O. Box 13088
Austin, Texas 78711-3088

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.